

HOUSING ELEMENT AND FAIR SHARE PLAN
CITY OF MILLVILLE, CUMBERLAND COUNTY
Revised THIRD ROUND PLAN

EXECUTIVE SUMMARY

The City of Millville, Cumberland County, prepared this Third Round Housing Element and Fair Share Plan for re-petition to the Council on Affordable Housing (“COAH”) before December 31, 2008. This Plan is an amendment to the third round plan prepared in August 2005 and submitted to COAH on August 18, 2005. In this document, the Housing Element, which is a part of the Master Plan for guiding land use in a locale, and the Fair Share Plan, the implementing aspect of the Housing Element, will be collectively referred to as the “housing plan”.

There are three components to a municipality’s affordable housing obligation: the rehabilitation share, the prior round obligation and the third round growth share obligation.

The City’s COAH affordable housing obligations are as follows:

- Rehabilitation Share: 129 units
- Prior Round Obligation: 0 units
- Third Round Growth Share Obligation: 225 units

However, the City has determined its Third Round Growth Share Obligation should be 661 units. The City has no prior round obligation due to its designation as an Urban Aid community. The City’s third round obligation will be addressed through credits for developments built or sponsored by the Millville Housing Authority, Holly City Development Corporation, AHOME, Inc., and a number of special services companies that manage group homes for special needs populations. In addition, the City will also address a portion of its third round obligation through credits for existing or proposed units in affordable private developments such as Oak View Apartments, the Millville Gardens redevelopment project, and in new subdivisions through the City’s limited inclusionary zoning. A description of these various projects is discussed in greater detail in the Fair Share Plan section.

AFFORDABLE HOUSING IN NEW JERSEY

In its landmark 1975 decision referred to now as “Mount Laurel I”, the New Jersey Supreme Court ruled that developing municipalities have a constitutional obligation to provide a realistic opportunity for the construction of low and moderate income housing.¹ In its 1983 “Mount Laurel II” decision, the Supreme Court extended the obligation to all municipalities, designated the State Development Guide Plan or any successor State Plan as a critical touchstone to guide the implementation of this obligation and created an incentive for private developers to enforce the “Mount Laurel doctrine” by suing municipalities who are not in compliance.²

Establishment of Council on Affordable Housing

In 1985, the Fair Housing Act (hereinafter “FHA”) (NJSA 52:27D-310) was adopted as the legislative response to the Mt. Laurel court decisions. The FHA created the Council on Affordable Housing as the administrative alternative to the Courts. COAH is responsible for establishing housing regions, estimating low and moderate income housing needs, setting criteria and guidelines for municipalities to determine and address their fair share numbers, and reviewing and approving housing elements and fair share plans.

Municipalities have the option of filing their adopted and endorsed housing elements and fair share plans with COAH and petitioning for COAH’s approval, known as “substantive certification”. Municipalities that opt to participate in the COAH certification process are granted a measure of legal protection against exclusionary zoning litigation. By petitioning, COAH allows a municipality to maximize control of its planning and zoning options in addressing its affordable housing obligation. Similarly, under the FHA, a municipality can apply to the Superior Court for a final judgment of compliance and repose, which is the judicial equivalent of COAH’s grant of substantive certification.

Under the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.), a municipal Planning Board must adopt the housing element as part of the Master Plan if the municipality desires to enact and enforce a zoning ordinance. COAH’s process also requires the governing body to endorse the housing plan by resolution. In addition, the governing body’s resolution requests that COAH review the housing element and fair share plan along with supporting documents for substantive certification action. Once the municipality’s housing element and fair share plan have been granted substantive certification by COAH, the municipality’s zoning ordinance enjoys a

¹ Southern Burlington NAACP v. Township of Mt. Laurel, 67 NJ 151 (1975)

² Southern Burlington NAACP v. Township of Mt. Laurel, 92 NJ 158 (1983)

presumption of validity against any lawsuits challenging it on the basis of a lack of affordable housing. The City of Millville is currently under COAH's jurisdiction and is required to petition with its amended third round plan by December 31, 2008 so the presumption of validity holds.

First and Second Round Methods

The FHA empowered COAH to create criteria and guidelines for municipalities to determine and address their respective fair share numbers. In response, COAH established a formula for determining municipal affordable housing obligations for the six-year period between 1987 and 1993 (N.J.A.C. 5:92-1 et seq.), which became known as the "first round." That formula was superseded by the 1994 COAH regulations (N.J.A.C. 5:93-1.1 et seq.) which recalculated a portion of the 1987-1993 affordable housing obligation for each municipality and computed the additional municipal affordable housing need from 1993 to 1999; this 12 year cumulative period from 1987 through 1999 is known as the "second round."

Third Round Methods

On December 20, 2004, COAH's first version of the third round rules became effective. At that time the third round was defined as the time period from 1999 to 2014 condensed into an affordable housing delivery period from January 1, 2004 to January 1, 2014. The third round rules marked a significant departure from the formulas and concepts utilized in COAH's two prior rounds. Previously, COAH assigned an affordable housing obligation as an absolute number to each municipality. These third round rules implemented a "growth share" approach that linked the production of affordable housing with future residential and non-residential development within a municipality. Each municipality was required to project the amount of residential and nonresidential growth that would occur during the period 2004 through 2014. Then municipalities were required to provide one affordable unit for every 8 market rate housing units developed and one affordable unit for every 25 jobs created (expressed as non-residential building square footage).

However, in a unanimous decision in January 2007, the New Jersey Appellate Court invalidated key aspects of COAH's third round rules which govern the size of each municipality's fair share obligation and the manner in which the obligation can be satisfied. The Court ordered COAH to propose and adopt amendments to its rules to address the deficiencies identified by the Court. COAH's revised rules, effective on June 2, 2008 as well as a further rule revision, adopted September 22, 2008 and effective on October 20, 2008, provide residential development and job projections for the third round (which was expanded to encompass the years 2004 through 2018, or 15 years). Additionally, COAH revised its ratios to require one affordable housing unit for every four market rate housing units developed and one

affordable housing unit for every 16 jobs created, still expressed as non-residential building square footage. Municipalities must set forth in the Housing Element and Fair Share Plan how they intend to accommodate the affordable housing obligation generated by COAH's revised third round growth projections. However, COAH's substantive rules also require that a municipality provide a realistic opportunity for affordable housing in proportion to its actual growth during the third round as expressed in certificates of occupancy issued for residential and nonresidential development.

In addition, on July 17, 2008 Governor Corzine signed P.L. 2008, c.46 (also known as the "Roberts Bill" after NJ Assembly Speaker Joseph Roberts), which amended the Fair Housing Act in a number of ways. Key provisions of the bill include the following:

- Establishing a statewide 2.5% nonresidential development fee instead of a nonresidential growth share delivery for affordable housing;
- Elimination of regional contribution agreements; and
- Requirement for 13% of affordable housing units and 13% of all units funded by the Balanced Housing Program and the Statewide Affordable Housing Trust Fund to be restricted to very low income households (30% or less of median income).

COAH has not yet promulgated rules to effectuate the "Roberts Bill". It is anticipated that COAH will propose revised regulations, consistent with P.L. 2008, c.46, in early 2009. Municipalities may yet be required to amend their plans once these additional rules are set.

A municipality's third round fair share plan must address (1) its rehabilitation share, (2) the prior round obligation and (3) COAH-projected third round obligation. The rehabilitation share is the estimated number of existing substandard housing units in a municipality that are occupied by low or moderate income households, as determined by COAH (Appendix B to N.J.A.C. 5:97). The prior round obligation is a municipality's adjusted second round new construction component brought forward to the third round (Appendix C to N.J.A.C. 5:97). Third round housing plans must document how existing or proposed affordable housing units satisfy this prior round obligation, though as noted, Millville does not have a prior round obligation.

As stated above, the third round obligation is based on household and job projections developed by COAH (Appendix F to N.J.A.C. 5:97). To determine the third round obligation, the following ratios must be applied to the projections:

- For residential development, the affordable housing ratio is 1 affordable unit for every 4 market rate residential units. Thus COAH initially requires a municipality to divide its total housing projection by 5.
- For non-residential development, the affordable housing ratio is 1 affordable unit for every 16 new jobs created as expressed in new square footage of non-residential space issued a certificate of occupancy from January 1, 2004 through January 1, 2018. See Table 1, Non-residential Growth Share Calculation, for additional detail.

Table 1. Non-residential Growth Share Calculation

Use Group	Description	Square Feet Generating One Affordable Unit	Jobs Per 1,000 Square Feet
B	Office buildings	5,714	2.8
M	Mercantile uses	9,412	1.7
F	Factories where people make, process, or assemble products	13,333	1.2
S	Storage uses, excluding parking garages	16,000	1.0
H	High hazard manufacturing, processing, generation and storage uses	10,000	1.6
A1	Assembly uses, including concert halls and TV studios	10,000	1.6
A2	Assembly uses, including casinos, night clubs, restaurants and taverns	5,000	3.2
A3	Assembly uses, including libraries, lecture halls, arcades, galleries, bowling alleys, funeral parlors, gymnasiums and museums but excluding houses of worship	10,000	1.6
A4	Assembly uses, including arenas, skating rinks and pools	4,706	3.4
A5	Assembly uses, including bleachers, grandstands, amusement park structures and stadiums	6,154	2.6
E	Schools K – 12	Exclude	Exclude
I	Institutional uses such as hospitals, nursing homes, assisted living facilities and jails. I group includes I1, I2, I3 and I4.	6,154	2.6

Use Group	Description	Square Feet Generating One Affordable Unit	Jobs Per 1,000 Square Feet
R1	Hotels and motels; continuing care facilities classified as R2	9,412	1.7
U	Miscellaneous uses, including fences tanks, barns, agricultural buildings, sheds, greenhouses, etc.	Exclude	Exclude

Pursuant to N.J.A.C. 5:96-10, the actual growth of housing units and jobs (measured by the issuance of residential and nonresidential certificates of occupancy) will be monitored every two years and will be compared to the actual provision of affordable housing. If the biennial review discloses a marked difference between the number of affordable units constructed or provided in a municipality and the number of units required pursuant to N.J.A.C. 5:97-2.4 in excess of 10%, COAH may require the municipality to amend its plan to address the higher affordable housing obligation. It will be important for Millville to track the growth that has occurred and will occur between January 1, 2004 and December 31, 2018.

Affordability Requirements

Affordable housing is defined under New Jersey's Fair Housing Act as a dwelling, either for sale or rent that is within the financial means of households of low or moderate income as income is measured within each housing region. Millville City is in COAH's Region 6, which includes Cumberland, Atlantic, Cape May and Salem counties. Moderate-income households are those earning between 50% and 80% of the regional median income. Low-income households are those with annual incomes that are between 30% and 50% of the regional median income. The Roberts also amended the Fair Housing Act to require that 13% of the total number of units built (as opposed to total units and bonuses or credits) be earmarked for those making 30% or less of median household income.

Through the Uniform Housing Affordability Controls at N.J.A.C. 5:80-26.3(d) and (e), COAH requires that the maximum rent for a qualified unit be affordable to households that earn no more than 60% of the median income for the region. The average rent must be affordable to households earning no more than 52% of the median income. The maximum sale prices for affordable units must be affordable to households that earn no more than 70% of the median income. The average sale price must be affordable to a household that earns no more than 55% of the median income.

The regional median income is defined by COAH using the federal Department of Housing and Urban Development (hereinafter "HUD") income

limits on an annual basis. In the spring of each year HUD releases updated regional income limits which COAH reallocates to its regions. It is from these income limits which the rents and sale prices for affordable units are derived. See Tables 2 through 4 for additional information. These figures are updated annually and are available from COAH. The sample rents and sale prices are gross figures and do not account for the specified utility allowance.

Table 2. 2008 Income Limits for Region 6

Household Income Levels	1 Person Household	2 Person Household	3 Person Household	4 Person household	5 Person Household
Moderate Income	\$36,284	\$41,468	\$46,651	\$51,834	\$55,981
Low Income	\$22,678	\$25,917	\$29,157	\$32,397	\$34,988
Very Low Income	\$13,607	\$15,550	\$17,494	\$19,438	\$20,993

Source: COAH 2008 Regional Income Limits

Table 3. Sample 2008 Affordable Rents for Region 6

Household Income Levels	1 Bedroom Unit Rent	2 Bedroom Unit Rent	3 Bedroom Unit Rent
Moderate Income at 60%	\$729	\$875	\$1,011
Low Income at 46%	\$559	\$671	\$775
Very Low Income at 30%	\$364	\$437	\$505

Source: COAH Illustrative 2008 Low and Moderate Income Rents for New Construction and/or Reconstruction

Table 4. Sample 2008 Affordable Sale Prices for Region 6

Household Income Levels	1 Bedroom Unit Price	2 Bedroom Unit Price	3 Bedroom Unit Price
Moderate Income at 70%	\$76,537	\$91,845	\$106,131
Low Income at 40%	\$43,736	\$52,483	\$60,647
Very Low Income at 30%	\$32,802	\$39,362	\$45,485

Source: COAH Illustrative 2008 Low & Moderate Income Sales Prices for New Construction

Housing Element/Fair Share Plan Requirements

In accordance with the Municipal Land Use Law (NJSA 40:55D-1, et seq.), a municipal Master Plan must include a housing element as the foundation for the municipal zoning ordinance. Pursuant to the FHA, a municipality's housing element must be designed to provide access to affordable housing to meet present and prospective housing needs, with particular attention to low and moderate income housing. The housing element must contain at least the following, as per the FHA at NJSA 52:27D-310:

- An inventory of the municipality's housing stock by age, condition, purchase or rental value, occupancy characteristics, and type,

- including the number of units affordable to low and moderate income households and substandard housing capable of being rehabilitated;
- A projection of the municipality's housing stock, including the probable future construction of low and moderate income housing, for the next ten years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development, and probable residential development trends;
 - An analysis of the municipality's demographic characteristics, including, but not necessarily limited to, household size, income level, and age;
 - An analysis of the existing and probable future employment characteristics of the municipality;
 - A determination of the municipality's present and prospective fair share of low and moderate income housing and its capacity to accommodate its present and prospective housing needs, including its fair share of low and moderate income housing; and
 - A consideration of the lands most appropriate for construction of low and moderate income housing and of the existing structures most appropriate for conversion to, or rehabilitation for, low and moderate income housing, including a consideration of lands of developers who have expressed a commitment to provide low and moderate income housing.

In addition, pursuant to COAH regulations (N.J.A.C. 5:97-2.3), the housing element and fair share plan must address the entire third round cumulative (1987-2018) affordable housing obligation consisting of the rehabilitation share, any remaining balance of the prior round obligation and the COAH-projected third round obligation. COAH's regulations require the following documentation to be submitted with the housing element and fair share plan:

- The minimum requirements of the Fair Housing Act, N.J.S.A. 52:27D-310 (listed above);
- Household and employment projections created by COAH;
- Municipal rehabilitation, prior round and third round obligation;
- Descriptions of any credits intended to address any portion of the fair share obligation, including all information required by N.J.A.C. 5:97-4;
- Descriptions of any adjustments to any portion of the fair share obligation, including all information required by N.J.A.C. 5:97-5;
- Descriptions of any mechanisms intended to address the prior round obligation, the rehabilitation share and the third round obligation;

- An implementation schedule with a detailed timetable that demonstrates a “realistic opportunity” for the construction of affordable housing, as defined by N.J.A.C. 5:97-1.4.
- Draft and/or adopted ordinances necessary for the implementation of the mechanisms designed to satisfy the fair share obligation;
- A demonstration that existing zoning or planned changes in zoning provide adequate capacity to accommodate any proposed inclusionary developments, pursuant to N.J.A.C. 5:97-6.4;
- A demonstration of existing or planned water and sewer capacity sufficient to accommodate all proposed mechanisms;
- A spending plan, pursuant to N.J.A.C. 5:97-8.10;
- A map of all sites designated by the municipality for the production of low and moderate income housing;
- A copy of the most recently adopted Master Plan and, where required, the immediately preceding adopted Master Plan;
- A copy of the most recently adopted zoning ordinance;
- A copy of the most up-to-date tax maps; and
- Any other information required by N.J.A.C. 5:97 or requested by COAH.

CITY OF MILLVILLE AFFORDABLE HOUSING HISTORY

The City of Millville applied to COAH and received substantive certification in June 1991 of its Housing Element and Fair Share Plan. The Plan addressed a pre-credited need of 703 housing units (403 new construction and 300 rehabilitation units). The City met its new construction obligation through the development of 150 new affordable housing units and inclusionary zoning reductions for 253 units provided through inclusionary zoning in western Millville.

The second round obligation, which was issued in 1993 by COAH, established Millville’s housing obligation at zero (0) as a result of the City’s classification as an “Urban Aid Municipality.” The City, however, identified a strong need for housing rehabilitation in its Community Development Block Grant (CDBG) Annual and Consolidated Plans, a continued need in this housing plan.

On August 18, 2005, the City petitioned for third round substantive certification under COAH’s original third round rules. However, the application had not been certified by COAH prior to the issuance of the Appellate Court decision overturning portions of COAH’s regulations.

HOUSING STOCK AND DEMOGRAPHIC ANALYSIS

Housing Stock Inventory

The City of Millville has a total of 10,652 housing units, of which 5.7% were vacant in 2000. Of the total units, 63.9% are owner occupied and 36% are rentals. Compared to Cumberland County, Millville has a greater percentage of occupied units but homeownership rates are lower. See Table 5, Units & Tenure, 2000, City of Millville and Cumberland County, for additional details.

Table 5. Units & Tenure, 2000, City of Millville and Cumberland County.

Units and Tenure	City of Millville		Cumberland County	
	Number	Percent	Number	Percent
Unit Type				
Occupied Year Round	10,043	94.3	49,143	93.0
Vacant, inc. Seasonal & Migratory	609	5.7	3,720	7.0
Total	10,652	100.0	52,863	100.0
Tenure of Occupied Units				
Owner Occupied	6,413	63.9	33,389	67.9
Renter Occupied	3,630	36.1	15,754	32.1
Total	10,043	100.0	49,143	100.0

Source: U.S. Bureau of the Census, 2000

Millville has a wide variety of housing stock, as indicated in Table 6, Housing Unit Data, 2000, City of Millville and Cumberland County. The traditional, detached single-family home represents less than 30% of the housing stock. Almost 11.7% of the City's housing stock is in large apartment buildings (containing 10 or more dwelling units), compared to only 8% of the housing stock in Cumberland County. Over 12% of the City's housing stock is located in smaller, multi-family structures (2 to 4 units), compared to 10% in Cumberland County. Approximately 10% of the City's housing stock is comprised of townhouses (single-family attached).

The majority of the houses in Millville are older, with almost 23% of the City's housing stock being built before 1940. Only 9% of the total housing stock was built after 1990. The age of the housing stock is similar to the housing stock in the County as a whole, as Cumberland County added the most housing units to its stock between 1940 and 1959.

The average dwelling unit size is smaller compared to the County as a whole, with 50% of the City's housing stock containing five or fewer rooms. The housing stock in Millville is of a similar size to housing fabric found throughout Cumberland County. The median number of rooms in Millville is 5.5 rooms. Comparably, the median number of rooms in Cumberland County is 5.4 rooms. Table 6, Housing Unit Data, 2000, City of Millville and Cumberland County, provides additional data on the housing fabric in the City of Millville.

Table 6. Housing Unit Data, 2000, City of Millville and Cumberland County.

Characteristics	City of Millville		Cumberland County	
	Number	Percent	Number	Percent
Year Structure Built				
1999 - 2000	151	1.4	773	1.5
1995 - 1998	317	3.0	2,045	3.9
1990 - 1994	492	4.6	2,381	4.5
1980 - 1989	1,221	11.5	5,251	9.9
1970 - 1979	1,924	18.1	9,118	17.2
1960 - 1969	1,484	13.9	8,524	16.1
1940 - 1959	2,688	25.2	13,354	25.3
1939 or earlier	2,375	22.3	11,417	21.6
Units in Structure				
One (single-family detached)	6,381	29.9	34,489	65.1
One (single-family attached)	1,071	10.1	3,453	6.5
2 to 4 units	1,338	12.6	5,384	10.2
5 to 9 units	310	2.9	1,802	3.4
10 to 19 units	407	3.8	1,283	2.4
20 or more units	845	7.9	3,035	5.7
Mobile home, trailer, other	300	2.8	3,517	6.6
Number of Rooms				
1 room	147	1.4	745	1.4
2 rooms	259	2.4	1,644	3.1
3 rooms	1,183	11.1	4,724	8.9
4 rooms	1,514	14.2	8,100	15.3
5 rooms	2,326	21.8	12,056	22.8
6 rooms	2,294	21.5	11,270	21.3
7 rooms	1,434	13.5	6,993	13.2
8 rooms	877	8.2	4,413	8.3
9 or more rooms	618	5.8	2,918	5.5
Median (rooms)	5.5		5.4	
Total Number of Housing Units (2000)	10,652		52,863	
Total Number of Housing Units (1990)	10,150		50,294	

Source: U.S. Bureau of the Census, 2000

As indicated in Table 7, Indicators of Housing Conditions, 2000, City of Millville, Cumberland County, New Jersey, a large number of housing units in the City contain at least one indicator of substandard housing conditions. The biggest indicator is the age of the housing stock, with over 2,375 housing units built before 1939. Other indicators include lack of complete plumbing facilities (38 units), lacking complete kitchen facilities (62 units) and overcrowded conditions (358 units).

Table 7. Indicators of Housing Conditions, 2000,
City of Millville, Cumberland County, New Jersey.

Number of Units	City of Millville		Cumberland County	
	Number	Percent	Number	Percent
Built before 1939	2,375	22.3	11,417	21.6
Lacking complete plumbing facilities	38	0.4	235	0.5
Lacking complete kitchen facilities	62	0.6	228	0.5
1.0 or more persons per room	358	3.6	2,699	5.5
Total occupied housing units	10,043		49,143	

Source: U.S. Bureau of the Census, 2000

Income Characteristics

The City of Millville is a relatively modest community in terms of income, as indicated in Table 8, Per Capita and Household Income, 2000, City of Millville and Cumberland County. The 1999 median household income in the City was \$40,378, which was slightly higher than Cumberland County's median income of \$39,150. Similarly, the 1999 per capita personal income in Millville of \$18,632 was slightly higher than the per capita personal income estimate for Cumberland County, which was \$17,376. In fact, Cumberland County has for decades the lowest per capita income of any of the counties in the state.

Table 8. Per Capita and Household Income, 2000,
City of Millville and Cumberland County

Jurisdiction	1999-2000 Household Income	1999-2000 Per Capita Income
Millville	\$40,378	\$18,632
Cumberland County	\$39,150	\$17,376
New Jersey	\$55,146	\$27,006

Source: U.S. Bureau of the Census, 2000

Tables 9 and 10, Housing Values, show that the median housing values of owner-occupied housing in Millville increased 23.8% between 1990 and 2000, which outpaced Cumberland County's growth rate of 21.2%. While Millville's housing values grew faster, they still were lower than the County's housing values. In 1990, Millville's median value of \$70,000 was \$3,600 lower than Cumberland County's median value of \$73,600. In 2000, the City's median housing value of \$86,700 was \$2,500 less than the median value of \$89,200 for Cumberland County.

Table 9. Housing Values, Owner Occupied, 1990.

Housing Value	Number	Percent
Less than \$50,000	1,265	23.96%
\$50,000-\$99,999	2,976	56.37%
\$100,000-\$149,999	765	14.49%
\$150,000-\$199,999	166	3.14%
\$200,000-\$249,999	44	0.83%
\$250,000-\$299,999	19	0.36%
\$300,000-\$399,999	39	0.74%
\$400,000-\$499,999	5	0.09%
\$500,000 or more	0	0.00%
Total	5,279	100.00%
1990 Median Value	\$70,000	

Source: 1990 US Census

Table 10. Housing Values, Owner-Occupied, 2000

Housing Units	Number	Percent
Less than \$50,000	645	11.03%
\$50,000-\$99,999	3,250	55.56%
\$100,000-\$149,999	1,476	25.23%
\$150,000-\$199,999	369	6.31%
\$200,000-\$249,999	70	1.20%
\$250,000-\$299,999	40	0.68%
\$300,000-or more	0	0.00%
Total	5,850	100.0%
2000 Median Value	\$86,700	

Source: 2000 US Census

In 2000, Millville's median gross rental cost was less than that of the County (\$502 v. \$518). See Table 11, Comparison of Millville and Cumberland County. Monthly Rental Costs.

Table 11. Comparison of Millville and Cumberland Co., Monthly Rental Cost*, 2000

Monthly Rent	Number in Millville	Percent in Millville	Number in Cumberland, Co.	Percent in Cumberland Co.
\$0-\$99	181	5.1%	658	4.4%
\$100-\$149	193	5.5%	669	4.5%
\$150-\$199	160	4.5%	660	4.4%
\$200-\$249	212	6.0%	658	4.4%
\$250-\$299	76	2.2%	411	2.7%
\$300-\$349	138	3.9%	655	4.4%
\$350-\$399	128	3.6%	431	2.9%
\$400-\$449	241	6.9%	1,086	7.3%
\$450-\$499	411	11.7%	1,524	10.2%
\$500-\$549	450	12.8%	1,989	13.3%
\$550-\$599	343	9.7%	1,756	11.7%
\$600-\$649	456	13.0%	1,385	9.3%
\$650-\$699	201	5.7%	1,333	8.9%
\$700-\$749	219	6.2%	758	5.1%
\$750-\$799	61	1.7%	424	2.8%
\$800-\$899	38	1.1%	433	2.9%
\$900-\$999	0	0.0%	67	0.4%
\$1,000-\$1,249	10	0.3%	26	0.2%
\$1,250-\$1,499	0	0.0%	5	0.0%
\$1,500-\$1,999	0	0.0%	24	0.2%
\$2,000 +	0	0.0%	17	0.1%
Total	3,518	100.0%	14,969	100.0%
Median Rent	\$502		\$518	

Source: 2000 US Census

General Population Characteristics

Millville is a growing city that has continued to increase in population over the past 70 years, as shown in Table 12, Population Change, 1930 to 2000, City of Millville. As of 2000, the City population has 26,847 residents. The greatest percentage increase in population occurred between 1950 and 1960, when the City's population increased by almost 20%. The rate of growth has slowed down significantly over the past twenty years, increasing by 4.7% between 1980 and 1990 and 3.3% between 1990 and 2000.

Table 12. Population Change, 1930 to 2000, City of Millville.

Year	Population	Population Change	
		Number Changed	Percent
1930	14,705	-	-
1940	14,806	101	0.7%
1950	16,041	1,235	8.3%
1960	19,096	3,055	19.0%
1970	21,366	2,270	11.9%
1980	24,815	3,449	16.1%
1990	25,992	1,177	4.7%
2000	26,847	855	3.3%

Source: U.S. Bureau of the Census, 2000

The population trends experienced by the City are somewhat similar to those of Cumberland County, as shown in Table 13, Population Change, 1930 to 2000, Cumberland County. The County experienced its greatest rate of increase in population between 1940 and 1950, growing by 21.1%. The rate of growth in the County has also slowed down in the last 20 years, increasing by 3.9% between 1980 and 1990.

Table 13. Population Change, 1930 to 2000, Cumberland County.

Year	Population	Population Change	
		Number Changed	Percent
1930	69,895	-	-
1940	73,184	3,289	4.7
1950	88,597	15,413	21.1
1960	106,850	18,253	20.6
1970	121,374	14,524	13.6
1980	132,866	11,492	9.5
1990	138,053	5,187	3.9
2000	146,438	8,385	6.1

Sources: U.S. Decennial Census, NJ State Data Center

According to the 2000 Census, approximately 70% of the City's households are family households. The remaining 30% of households are comprised of unrelated individuals. The median household size in Millville is 2.65 persons, which is smaller than the Cumberland County median of 2.73 persons. See Table 14, Types of Households, City of Millville, 2000, for additional detail on the variety of household types in Millville.

Table 14. Types of Households, City of Millville, 2000.

Type of Household	Number	Percent
Total Households	10,043	100.0
Family Households	7,011	69.8
Married couple families	4,671	46.5
Other family, male householder	543	5.4
Other family, female householder	1,797	17.9
Non-Family	3,032	30.2
Householder Living Alone	2,519	25.1
Householder 65 years and over	1,162	11.6
Households with individuals under 18 years	3,978	39.6
Households with individuals 65 years and over	2,559	25.5
Average household size	2.65	

Source: U.S. Bureau of the Census, 2000

Over the ten-year period, there were significant shifts in many of the age cohorts. The most significant shift occurred in the 45 to 54 age category, which increased by 948 persons or 36.5%. This age group now constitutes 13.2% of the City's population compared to 10.0% in 1990. This would be expected as the baby boom moves through their life spans. There was also a dramatic increase in the number of residents under the age of 18 over the past ten years. The number of residents under the age of 18 increased by 3,584 individuals between 1990 and 2000. This represents a 51% increase. See Table 15, Population by Age, 1990 & 2000, City of Millville, and Table 16, Population Distribution, 1990 and 2000 City of Millville and Cumberland County, for additional detail on the age groups in the City of Millville and Cumberland County.

Table 15. Population by Age, 1990 & 2000, City of Millville.

Age Cohort	1990		2000		Change, 1990-2000	
	No. of Persons	Percent	No. of Persons	Percent	Number	Percent
Under 5	1,978	7.6	1,871	7.0	-107	-5.4
5 – 24	7,631	29.4	7,949	29.6	318	4.2
25 – 44	8,054	31.0	7,737	28.8	-317	-3.9
45 – 54	2,594	10.0	3,542	13.2	948	36.5
55 – 59	1,121	4.3	1,295	4.8	174	15.5
60-64	1,135	4.4	993	3.7	-142	-12.5
65-74	2,126	8.2	1,749	6.5	-377	-17.7
75-84	1,078	4.1	1,318	4.9	240	22.3
85 +	275	1.1	393	1.5	118	42.9
Total	25,992	100.0	26,847	100.0	855	100.0
Under 18	6,914	26.6	10,498	39.1	3,584	51.8
Over 65	3,479	13.4	3,460	12.9	-19	-0.5

Source: U.S. Bureau of the Census, 1990 and 2000

Table 16. Population Distribution, 1990 and 2000
City of Millville and Cumberland County.

Age Cohort	1990		2000	
	City (percent)	County (percent)	City (percent)	County (percent)
Under 5	7.6	7.3	7.0	6.3
5 – 24	29.4	28.9	29.6	27.7
25 – 44	31.0	31.1	28.8	31.2
45 – 54	10.0	10.3	13.2	13.2
55 – 59	4.3	4.4	4.8	4.8
60-64	4.4	4.5	3.7	3.9
65-74	8.2	7.9	6.5	6.6
75-84	4.1	4.4	4.9	4.8
85 and over	1.1	1.2	1.5	1.6
Total	100.0	100.0	100.0	100.0
Under 18	29.6	26.0	39.1	25.4
Over 65	13.4	13.5	12.9	13.0

Source: U.S. Bureau of the Census, 1990 and 2000

EMPLOYMENT CHARACTERISTICS

Covered employment in Millville has declined over the past twenty years, as indicated in Table 14. In 1980, the City employed over 12,000 workers. By 1990, that number had declined to just under 11,000 workers. Between 1990 and 1998, local employment levels have fluctuated, but remained near the 11,000 employment figure. Local employment declined in 1999 with the closing of the Ball Foster Glass Plant, which was the oldest continuously operating glass plant in the country. Approximately 300 jobs were lost as a result of the closure. In 2004, Dallas Airmotive, a jet engine overhaul company with facilities in Texas and Missouri, decided to close its Millville facility. This decision to consolidate operations resulted in the loss of 240 technical jobs and the closing of the airport's oldest business. These highly skilled jobs will be difficult to replace and the closing of the facility impedes the City's economic development goal of developing the airport into a full service aviation center. Despite employment gains from small businesses in the retail and service sectors, Millville's heritage as an industrial and manufacturing center is likely to continue their decline and job losses. ARC/Durand Glass, a specialty glass manufacturer located in the South Millville Industrial Park, is the City's largest employer with just over 1,000 workers. This glass manufacturer has continued to expand its operations despite local and national trends.

The City has developed a multi-faceted economic strategy aimed at diversifying the economic base. The City has an active economic development office that works in partnership with state and regional authorities such as the Delaware River and Bay Authority, New Jersey Department of Commerce, and the S. J. Economic Development District. A \$100 million motorsports/entertainment project has been approved on 708 acres at the Millville Airport which will result in 1,500 jobs. This project began construction in June 2007. In the Route 55/47 corridor, a new \$70 million shopping center opened in 2006. This commercial development, when completed is projected to provide 1,000 retail and service jobs.

Employment gains from the many small businesses that have located or expanded in Millville have more than made up for the employment loss created by the closing of the Foster Glass Plant. The ARC/Durand Glass Company has continued to expand since the Foster Glass Plant closed. Finally, the City has an active economic development office and there are a number of major projects in the works. The City recently purchased over 800 acres of undeveloped land adjacent to the Millville Airport in order to expand the Airport Industrial Park. As access to the airport from Route 55 is enhanced the City anticipates locating light industry, warehousing, and distribution companies in this location. The industrial park recently received a \$1.5 million USEDA grant to support continued construction at this facility.

Table 17, Distribution of Employment by Industry, shows the distribution of employment by industry for employed Millville City residents. The two industries to capture the largest segments of the population were education, health and social services industry at 23% and the manufacturing at 20%.

Table 17. Distribution of Employment by Industry, City Residents, 2000.

Sector Jobs	Number	Percent
Agriculture, Forestry, Fishing and Hunting, and Mining	55	0.5%
Construction	703	6.0%
Manufacturing	2405	20.4%
Wholesale Trade	324	2.7%
Retail Trade	1459	12.4%
Transportation and Warehousing, and Utilities	578	4.9%
Information	162	1.4%
Financing, Insurance, Real Estate, Renting, and Leasing	476	4.0%
Professional, Scientific, Management, Administrative, and Waste Management Services	386	3.3%
Educational, Health and Social Services	2737	23.2%
Arts, Entertainment, Recreation, Accommodation and Food Services	743	6.3%
Public Administration	1139	5.3%
Other	624	9.7%
Total:	6,513	100.0%

Source: 2000 US Census

Table 18, Employment by Occupation, identifies the occupations of employed persons. While Millville City residents work in a variety of industries, 24.8% of employed residents work in management, professional and related occupations and 24.5% are employed in sales and office occupations.

Table 18. Employment by Occupation, Millville, 2000.

Sector Jobs	Number	Percent
Management, Professional, and Related	2,927	24.8%
Service	2,345	19.9%
Sales and Office	2,884	24.5%
Farming, Fishing, and Forestry	27	0.2%
Construction, Extraction, and Maintenance	1,270	10.8%
Production, Transportation, and Moving	2,338	19.8%

Total	11,791	100.0%
-------	--------	--------

Source: 2000 US Census

The number of residents in Millville exceeds the number of jobs in the City. The New Jersey Department of Labor tracks covered employment throughout the state. Covered employment data includes only those jobs for which unemployment compensation is paid. By definition it does not cover the self-employed, unpaid family workers, most part-time or temporary employees, and certain agricultural and in-home domestic workers. See Table 19, Covered Employment Estimates, for additional detail.

Table 19. Covered Employment Estimates, December 2006

Year	Millville	Cumberland
2006	10,440	61,235

Source: New Jersey Department of Labor, Division of Planning and Research, Office of Demographic and Economic Analysis, NJ Covered Employment Trends. Data is as of December 2006, which is the most current data available at the municipal level.

In 2003, manufacturing was the largest sectors of in-town employment, with 3,306, with retail trade in distant second with 1,459 jobs. Table 20, Covered Employment by Sector, provides information additional detail.

Table 20. Covered Employment by Sector, 2003

ECONOMIC SECTOR	Employment					Wages	
	March	June	Sept.	Dec.	Average	Weekly	Annual
Private Sector Municipality Total	8,650	9,073	8,999	8,837	8,908	\$643	\$33,411
Agriculture, forestry, fishing and hunting	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Construction	363	396	422	455	412	\$745	\$38,762
Manufacturing	3,345	3,380	3,229	3,213	3,306	\$779	\$40,521
Wholesale trade	844	961	938	833	911	\$761	\$39,557
Retail trade	1,400	1,460	1,485	1,510	1,459	\$449	\$23,343
Transportation and warehousing	101	95	119	150	111	\$471	\$24,496
Information	145	138	135	129	137	\$1,027	\$53,419
Finance and insurance	247	246	248	252	247	\$708	\$36,833
Real estate and rental and leasing	95	101	106	102	102	\$465	\$24,170
Professional and technical services	152	163	165	165	163	\$730	\$37,940
Management of companies and enterprises	40	66	64	53	56	\$499	\$25,967
Administrative and waste services	-	-	-	-	-	-	-
Educational services	1,085	1,084	1,098	1,059	1,080	\$562	\$29,242

ECONOMIC SECTOR	Employment					Wages	
	March	June	Sept.	Dec.	Average	Weekly	Annual
Health care and social assistance	94	118	158	120	120	\$441	\$22,921
Arts, entertainment, and recreation	490	571	548	518	527	\$213	\$11,078
Accommodation and food services	136	156	128	152	145	\$425	\$22,096
Other services, except public admin.	28	51	68	38	45	\$567	\$29,503
Unclassified entities	-	-	-	-	-	-	-
Government Municipality Total	1,664	1,725	1,667	1,709	1,548		
Federal Government Municipality Total	96	92	89	90	93	\$1,239	\$64,439
Local Government Municipality Total	1,568	1,633	1,578	1,619	1,455	\$785	\$40,833
Total Covered Employment	10,314	10,798	10,666	10,546	10,456		

Source: U.S. Bureau of Labor Statistics

Future Employment Projections

Projections prepared by the New Jersey Department of Labor's Division of Labor - Market and Demographic Research (LMDR) show Cumberland County's labor force growing more slowly than New Jersey's from 1990 to 2010. According to these projections, the county's labor force is projected to grow by 11% during this period, which is slightly below the 12% increase projected for the state. Historically, the labor force in Millville has represented approximately 20% of the County's labor force. If this proportion holds true, then the City could be expected to increase its labor force from 13,112 in 2000 to 14,580 in 2010. This represents an increase of 11% increase, 1,468 persons.

Table 21. Estimated and Projected Labor Force Estimates, 2000-2010, Millville.

Jurisdiction	2000 Number	2010 Number	Percent Increase
Cumberland County	65,614	72,900	11.1
State of New Jersey	4,193,145	4,709,900	12.3

Source: Bureau of Labor Statistics

However, COAH's projection of employment growth for the City is significantly lower.³ OAH determined that there were 10,562 jobs in the City in 2004 and that the number of jobs would increase during Round 3 by 349 to estimated total of 10,911 jobs in 2018.

³ Econsult Corporation report for COAH entitled "Task 1-Allocating Growth To Municipalities," May 1, 2008.

A discussion on residential and non-residential growth for the purpose of addressing COAH's regulations (N.J.A.C. 5:97-2.5) on calculating growth share is discussed in the following section.

GROWTH TRENDS AND PROJECTIONS

COAH regulations require that a municipality initially project anticipated residential and non-residential growth as part of its third round housing element. For future growth share, municipalities are required to tally both residential and non-residential growth starting in January 1, 2004 and anticipated growth through December 31, 2018.

Residential Trends and Projections

Residential construction in Millville was moderate during the past decade (1990 – 2000). There was an average of 68 building permits issued annually during this timeframe with single family homes receiving nearly all certificates of occupancy issued.⁴ Only ten multi-family building permits were issued over this time period. Building activity peaked between 2004 and 2008, during which time the number of certificates of occupancy issued exceeded 100 units each year. Information on certificates of occupancy issued, as a measure of new units added to the housing market, is provided below in Table 22, Historic Trend of Residential Certificates of Occupancy and Demolition Permits.

Table 22. Historic Trend of Certificates of Occupancy and Demolition Permits

Year	'96	'97	'98	'99	'00	'01	'02	'03	'04	'05	'06	'07	'08*
CO's issued	76	55	68	67	50	55	36	69	94	132	168	170	126
Demolition permits	6	14	11	21	21	21	42	17	8	8	18	9	10
Net	70	41	57	56	29	34	-6	52	86	124	150	161	116

Source: New Jersey Department of Community Affairs, Division of Codes and Standards.

*Data displayed is through July 2008.

COAH has projected in Appendix F to N.J.A.C. 5:97 that 1,015 units will be built in the City between 2004 and 2018. As indicated in Table 22 Millville issued 690 residential certificates of occupancy between 2004 and July 2008. A review of approved and pending applications before the City's Planning Board indicates that approximately 1,500 new units are likely to be added to the housing stock over the next five years.

⁴ - This total includes both single-family detached housing units and townhouses, which are classified as single-family units, approved as of December 2006.

Nonresidential Trends and Projections

The City's analysis is based upon actual certificates of occupancy issued for non-residential development since January 1, 2004 through mid-2008 and projects which have received planning approvals or are in some phase of the development approval process. The City anticipates that approximately 3,586 new jobs will be created by 2018 based on COAH's ratios for calculating job growth.

The data presented in Table 23, Historic Trend of Nonresidential Certificates of Occupancy Permits displays the square footage of nonresidential space that has been constructed by use group between 1996 and 2008.

Table 23. Historic Trend of Certificates of Occupancy and Demolition Permits

Use Group	'96 SF	'97 SF	'98 SF	'99 SF	'00 SF	'01 SF	'02 SF	'03 SF	'04 SF	'05 SF	'06 SF	'07 SF	'08 SF
B-Office		13700	42142	2428	5385	9576	5772	81046	600	19484	119044	9781	4092
M-Mercantile		10753			6744		1383	14560	151907	53968		234002	
F-Factory		7200	14625	513000	12800		1000		38616		34168	3000	18500
S-Storage			2700				57756	137847	84588		19215	29782	19200
H-Hazard								5000					
A1													
A2					320				6923	4500	1683		5921
A3					12822		17937						
A4				2016									
A5													
E-Schools (Exempt)	3100		7800	3426			6300	3900					
I-Institutional						2000							
RI-Hotels		25760											
U-Misc.				1776	5372	5164	15234	8982					
Total Floor Area	3100	31653	59647	522646	43123	16740	105382	251335	282634	77952	174110	276565	47713

Source: New Jersey Department of Community Affairs, Division of Codes and Standards;

In Appendix F to N.J.A.C. 5:97 COAH has projected that 349 jobs will be created in the City between 2004 and 2018. However, based on COAH's nonresidential growth share calculator for estimating jobs per 1,000 square

feet of floor area by use group for certificates of occupancy issued between 2004 and 2008, the estimated amount to jobs created is 1,502. This represents a 500% variance in comparison to COAH's projection. As a result of such a significant difference in comparison to COAH's projection in the first five years of COAH's third round, the City has prepared a strategy to address a higher growth share allocation based on the data listed above. This alternate approach to address a higher growth share number than COAH's estimate is outlined in N.J.A.C. 5:97-2.5.

CAPACITY FOR GROWTH

The Regional Planning Partnership (now PlanSmart NJ) prepared a build-out analysis for the City of Millville which indicates the projected growth can be accommodated by the existing zoning. Land use across the City was also comprehensively analyzed as part of the master plan update process, completed in 2005.

In addition to the compatibility of the existing zoning, the current water and sewer infrastructure within the city is operating under capacity. The City has made it a standard within the zoning districts of the Lakeshore Conservation Zone and the Agricultural Conservation Zone that planned unit developments are responsible for obtaining additional water allocation permits from the NJDEP. Based upon the site plan and subdivision application approved over the last several years, if all of those projects were completed, the City would be beyond the approved capacity of the existing water allocation permit. Therefore, the City has imposed this requirement on new development as a condition of approval.

The only zoning change anticipated at this time is the development of a new waterfront mixed use zone to accommodate waterfront development outlined in the 2006 Waterfront Strategic Plan prepared by a consultant, EDSA. The City has only a small waterfront development district within the central core of the City. This zone will be expanded to allow high density residential and commercial development on the east side of the Maurice River within the heart of the City. This zoning change will probably allow a maximum of 12-15 units per acre on former industrial sites and is currently under discussion with the Planning Board.

In sum, there is available property, infrastructure and appropriate zoning to permit the calculated growth share to come to fruition.

CONSIDERATION OF LANDS APPROPRIATE FOR AFFORDABLE HOUSING

Consistent with smart growth planning principles, Millville has chosen to intersperse affordable housing within the City's existing residential areas, the Center City redevelopment area, and along the waterfront.

Millville has included the Center City redevelopment area which has been the focus of non-profit affordable housing development and a number of inclusionary sites in this housing plan. The following list describes specific sites in Millville that have been considered for affordable housing.

Specific Sites for Affordable Housing Development

Millville Gardens Apartments Redevelopment Project

Address: 102 Foundry Street
Block/Lot: 304/ 1
Acreage: 6 acres
Zoning: Residential - 5 (high density)
Current use: Existing 101 unit apartment unit complex
Proposed use: Existing complex to be demolished; City anticipates construction of 50 affordable units in 2010-2011

Riverfront Development (3 parcels)

Parcel #1:

Address: 210 Buck Street
Block/Lot: 410/ 1
Acreage: 7.32 acres
Zoning: General Industry
Current use: Industrial storage site (Vacant)
Proposed use: Current use to be changed to new waterfront development zone at density of 15 units/acre with a 20% set aside for affordable units

Parcel #2:

Address: 320 – 332 South Second Street
Block/Lot: 526/ 1-5
Acreage: 60 acres
Zoning: General Industry
Current use: Industrial storage site (Vacant)
Proposed use: Current use to be changed to new waterfront development zone at density of 12 -15 units/acre with a 20% set aside for affordable units

Parcel #3:

Address: 401 South Second Street
Block/Lot: 531/ 1
Acreage: 34.1 acres
Zoning: General Industry
Current use: Industrial storage site (Vacant)
Proposed use: Current use to be changed to new waterfront development zone at density of 12 -15 units/acre with a 20% set aside for affordable units

Melody Glen Project Site

Address: Newcombtown Road
Block/Lot: 401/9, 9.01, 13
Acreage: 14.19 acres
Zoning: R-10 residential
Current use: Vacant, undeveloped land
Proposed use: development of new rental and homeowner affordable housing units

The City has analyzed whether additional inclusionary zoning sites would serve Millville in the third round and has decided that such sites are not needed to satisfy the City's obligation at this time. Additional analyses will take place in the future as affordable housing is triggered by future growth.

FAIR SHARE PLAN

MILLVILLE'S AFFORDABLE HOUSING OBLIGATION

Every Third Round Plan consists of three components, a rehabilitation share, the prior round⁵ cumulative new construction figure and the growth share obligation. These are explained for Millville as follows:

Rehabilitation Obligation:	129 (Appendix B)
Prior Round Obligation:	0 (Appendix C)
Third Round Obligation:	661 (Appendix F and N.J.A.C. 5:97-2.5)
Total Obligation:	790 Credits, Units and Bonuses

⁵ - The sum of the first and second rounds.

REHABILITATION OBLIGATION

The rehabilitation obligation is defined as the number of deficient housing units occupied by low and moderate income households within a municipality (N.J.A.C. 5:97-1.4). COAH calculates this figure using indices such as overcrowding of units constructed prior to 1950, incomplete kitchen facilities, incomplete plumbing facilities and the estimated number of low and moderate income households in the municipality. COAH has calculated the Millville's rehabilitation obligation to be 129 units. See Table 24, Calculation of the Rehabilitation Obligation, for additional information.

Table 24. Calculation of the Rehabilitation Obligation

Overcrowding of units constructed prior to 1950	81
Incomplete plumbing facilities	+ 38
Incomplete kitchen facilities	+ 62
Low and moderate income share	0.715
Rehabilitation share credit	- 0
Rehabilitation Obligation	129 units

Source: Appendix B to N.J.A.C. 5:97

PRIOR ROUND OBLIGATION

The prior round obligation can be defined as the cumulative 1987 through 1999 affordable housing obligation (N.J.A.C. 5:97-1.4). COAH's second round housing obligation was originally established in 1993. However, since the City of Millville was designated by the State as an "Urban Aid Municipality," the prior round obligation was reduced to zero (0) units under COAH's prior round rules.

THIRD ROUND OBLIGATION

COAH has taken a new approach to calculating third round affordable housing obligations. The obligation is initially based solely on COAH-prepared household and job projections for each municipality during the third round (and some discussion on Millville's higher growth has been previously explained). As noted in the introductory sections, for every five households or units projected during the third round, one affordable housing unit must be provided. For every 16 jobs projected, the City must provide one affordable housing unit. COAH's substantive rules require that a municipality plan for the affordable housing obligation generated by the projections; however, a

municipality must provide affordable housing in proportion to its actual growth (N.J.A.C. 5:97-2.2(e)).

COAH has projected the creation of 1,015 households and 349 jobs in the City during the third round (N.J.A.C. 5:97 Appendix F, Allocating Growth to Municipalities). However, as stated the “Growth Trends” section above, Millville estimates that actual growth will be approximately 2,186 housing units and 3,586 jobs during the current round. See the appendices for COAH’s Worksheet B, which calculates the City’s affordable housing obligation in accordance with N.J.A.C. 5:97-2.5. Accordingly, the City’s third round obligation is calculated in Table 25, Calculation of the Third Round Obligation.

Table 25. Calculation of Third Round Obligation

Residential	
Projected Units	2,186
Exclusions	0
Units Creating Growth Share	2,186
Residential Growth Share	437.20
Nonresidential	
Projected Jobs	3,586
Exclusions	0
Jobs Creating Growth Share	3,586
Nonresidential Growth Share	224.15
Total Third Round Obligation	661.35

SATISFACTION OF THE REHABILITATION OBLIGATION

The City will continue to utilize Community Development Block Grant (“CDBG”) funds, HOME Investment Partnership Program (“HOME”) funds and contracts with agencies such as AHOME, Inc. to satisfy the remainder of its 129 unit rehabilitation obligation. AHOME, Inc. is a non-profit affordable housing developer and housing counselor located in Millville.

Millville’s rehabilitation program will adhere to the regulations in N.J.A.C. 5:97-6.2. Specifically, all rehabilitated units will comply with the definition of a deficient unit in N.J.A.C. 5:97-1.4, which states, “a housing unit with health and safety code violations that require the repair or replacement of a major system”. Major systems include weatherization, roofing, plumbing, heating, electricity, sanitary plumbing, lead paint abatement and/or load bearing structural systems. All rehabilitated units shall meet the applicable construction code. Additionally, all rehabilitated units shall be occupied by

low or moderate income households and upon completion of the rehabilitation, ten (10) year affordability controls shall be placed on the property in the form of a lien or deed restriction.

The City has rehabilitated a total of 40 units with CDBG funds. Additionally, AHOME, Inc. has rehabilitated 38 units since April 1, 2000. The City has already submitted monitoring reports for 62 of the units, and will be submitting documentation to COAH for the units completed after 2006 by the end of the year. The City has rehabilitated a total of 78 units to date. The remaining 51 units will be rehabilitated by 2018, the end of the current round.

The City will utilize CDBG and HOME funds to the maximum extent possible, but will provide funding from the affordable housing trust fund, if necessary, to supplement the cost to satisfy the rehabilitation obligation.

Credits for rehabilitation work are required to meet the requirements of N.J.A.C. 5:97-4.5 for all of the units noted above. The criteria to be met and the response are noted as follows:

1. Rehabbed to code and capital cost at least \$8,000. All of the units were brought up to the applicable code standard for the completed units. As noted on the monitoring forms previously submitted and those that will be submitted, the operators of the program in Millville expended a minimum of \$8,000 in capital costs and no more than \$2,000 in administrative expenses.
2. Occupied by eligible households at time of rehabilitation. All of the units were occupied by income eligible households at the time of rehabilitation.
3. Appropriate affordability controls were enacted. As indicated in the monitoring forms, units that were completed had the appropriate affordability controls attached to the domiciles. Any future rehabilitation work will apply the 10 year affordability controls.
4. Administration was by an administrator certified under N.J.A.C. 5:97-9. As of the date of the adoption of the rule, the rehabilitation program will be administered by an appropriately certified affordable housing administrator in accordance with UHAC.
5. Rental units must be included in the program. While some rental units were rehabilitated in the program their hard costs do meet the minimum threshold for eligibility. The program will be restructured to be open to landlords willing to deed restrict such units for 10-years to low and moderate income households in accordance with UHAC.

6. Submission of a rehabilitation manual. A rehabilitation manual conforming to N.J.A.C. 5:97-6.2 will be used to operate the rehabilitation program.

Documentation of the rehabilitation credits is submitted with the re-petition of this revised third round housing plan.

SATISFACTION OF THE PRIOR ROUND OBLIGATION

The prior round obligation can be defined as the cumulative 1987 through 1999 affordable housing obligation (N.J.A.C. 5:97-1.4). This time period corresponds to the first and second rounds of affordable housing. Since the City is an urban aid municipality, COAH has calculated Millville's prior round obligation to be 0 units (Appendix C of N.J.A.C. 5:97).

SATISFACTION OF THE THIRD ROUND GROWTH SHARE OBLIGATION

Millville's third round obligation, pursuant to the City's household and job projections, is 661 units (see Worksheet B in the appendices). The regulations state that the provision of affordable housing shall be based on the issuance of permanent certificates of occupancy for new residential units and new nonresidential floor area.

In addition to satisfying the 661 unit third round obligation, the City is also required to meet a number of formulas designed to ensure a broad spectrum of affordable housing in each community. These include a minimum number of total family units, a minimum rental obligation, a minimum number of family rental units, a maximum number of age-restricted units, a maximum number of bonus credits and a minimum number of very low income units. Due to the July 2008 amendments to the Fair Housing Act, the City is no longer eligible to enter into a regional contribution agreement to address a portion of the third round obligation, though that was not contemplated. These formulas are provided below:

Third Round Formulas

Minimum Family Obligation = 248 units

$.50(\text{third round affordable obligation} - \text{bonuses}) = .50(661 - 165) = 248$

Minimum Rental Obligation = 166 units

$.25(\text{third round obligation}) = .25(661) = 166, \text{ rounded up}$

Minimum Family Rental Obligation = 83 units

$.50(\text{third round rental obligation}) = .5(166) = 83$

Maximum Age-Restricted Units = 165 units

$.25(\text{third round obligation}) = .25(661) = 165, \text{ rounded down}$

Maximum Bonus Credits = 165 credits

$.25(\text{third round obligation}) = .25(661) = 165, \text{ rounded down}$

Minimum Very Low Income = 65 units

$.13(\text{third round obligation} - \text{bonuses}) = .13(661 - 165) = 65, \text{ rounded up}$

Table 26 below summarizes the projects satisfying the third round growth share components. Following this table will be an explanation of the components. The table also breaks down the anticipated split between rental and for sale housing units and whether they are age-restricted.

Table 26. Summary of the Third Round Growth Share Plan

Third Round Growth Share Obligation	661	Rental	For Sale	Senior
Supportive and Special Needs Housing				
Group Homes	26	26		
Maurice View Plaza Independent Living)	30	30		
100% Affordable Housing				
Millville Housing Authority Scattered Sites	20	20		
Millville Housing Authority HOPE 3	11		11	
Holly City Dev. Corp. MONI project	16		18	
AHOME CHOICE project	23		23	
Holly City Dev. Corp. CHOICE project	5		5	
Oak View Apartments, LLC	209	209		
AHOME Rental Project	1	1		
Millville Housing Authority Cedarview Apts.	50	50		50
Millville Housing Authority Jaycee Plaza	90	90		90
Holly City Dev. Corp. Senior Hi-Rise	73	73		73
Inclusionary Zoning				
Carmel Estates	5		5	
Tumble Partnership	2		2	
Crystal Village	27		27	
Redevelopment Projects				
Millville Gardens	50	50		
Rental Bonus*	165	Totals		
Sub-Total of All Units and Credits	803	549	91	213
Subtraction of Surplus Senior Units	-48			
Total of All Units and Credits	755			
Total Surplus	94			

*Note: There are 549 rentals. The maximum rental bonus can not exceed 165 units.

Application of Formulas

Family Units - At least half of the proposed units that are actually constructed to meet the growth share obligation must be family units, or 248 units. The total of family units from affordable housing activity is 369 units. These credits come from the following: Millville Housing Authority (MHA) Scattered Sites (20), MHA HOPE 3 project (11), Holly City Development Corp. MONI project (16), AHOME CHOICE project (23), Holly City Development Corp. CHOICE project (5), Oak View Apartments (209), 34 units in three inclusionary developments, and the Millville Gardens redevelopment project (50 units).

Rental Requirement - The minimum rental requirement for the Third Round is 166 units. This will be addressed through the 26 credits from seven group homes, 30 special needs units in Maurice View Plaza, Millville Housing Authority (MHA) Scattered Sites (20), Oak View Apartments (209), one AHOME rental unit, MHA's Cedarview Apartments (50), Jaycee Plaza (90), the Holly City Development Corp. Senior Hi-Rise (73) and Millville Gardens (50) for a total of 549 rental units. COAH also requires that 83 of the units be family rentals. The City of Millville meets this requirement through the family rentals at Oak View Apartments, LLC, the one AHOME unit, the Millville Housing Authority's Scattered Site rentals (20) and the Millville Gardens project for a total of 280 units.

Senior Limit - The maximum number of age-restricted or senior units is limited to 165. In the plan, the number of senior units is 213, exceeding the limitation by 48 units. These have been subtracted in Table 26 to arrive at the total surplus. These units will either be carried to the fourth round or used as credits should the actual growth share exceed Millville's projections.

Bonus Limit - The number of bonuses allowed is capped at 25% of the growth share obligation, or 165 units. The City is eligible for the full 165 rental bonus credits.

Very Low Requirement - Under Public Law 2008, Chapter 46, municipalities are required to include a very low income set aside in their housing plans of 13% of the actual growth share dwellings (as opposed to credits from bonuses), or 65 units. Very low income households are those persons making 30% or less of the median household income. In Millville, about 1,200 households or 12% of the total fall within this category. The following units address the very low income unit requirement: 2 units in the Holly City Development Corp. MONI project, 8 units in the AHOME CHOICE project, and 26 units of third round group homes. Additionally, the City will claim credits for 40% of the annual move-ins in all developments of the Millville Housing Authority which must be very low income households in accordance with their operating funds agreements contained within HUD's Admissions and Continued Occupancy Policy. Millville will apply for grants from the fund established in Public Law 2008, Chapter 46 and will use the required portion of the City's Housing Trust Fund for affordability assistance to provide subsidies to very low income households who are seeking housing in the projects listed in Table 26 to address the balance of this obligation.

The following summary lists the City's strategy to address the 661 growth share obligation. For each component, additional information has been

submitted on the Fair Share Plan checklist and/or supplemental checklist as necessary submitted with the re-petition for substantive certification.

Municipally Sponsored and 100% Affordable Housing Projects

1. Millville Housing Authority scattered sites family units (20 units completed)

Occupancy is restricted to households at or below 50% of median household income. Properties included in this project are:

130 McNeal Street	132 McNeal Street
309 McNeal Street	2 East Vince Street
202 Sharp Street	204 Sharp Street
209 North Sixth Street	211 North Sixth Street
213 South Fourth Street	4 East Green Street
4 East Vine Street	519 Pine Street
618 Dock Street	643 Buck Street
84 West Main Street	86 West Main Street
904 North High Street	906 North High Street
907 Buck Street	5 McNeal Street

Detailed information is submitted on the appropriate Fair Share Plan checklist.

2. Millville Housing Authority HOPE 3 Project (10 units completed)

Occupancy is restricted to households at or below 80% of median. Detailed information is submitted on the appropriate Fair Share Plan checklist. Properties included in this project are:

3 Oriole Way	44 North Pear Street
115 North Third Street	217 East Oak Street
919 Louis Drive	616 Church Street
617 Church Street	618 Church Street
339 Maurice Street	1118 Brookdale Terrace

3. Holly City Development Corporation MONI Project (16 units completed)

Occupancy is restricted to households at or below 80% of median household income. Detailed information is submitted on the appropriate Fair Share Plan checklist. Properties included in this project are:

307 Howard Street	311 Howard Street
201 W. Foundry Street	402 W. Green Street
400 W. Green Street	301 Howard Street
315 Howard Street	900 Dock Street
904 Dock Street	906 Dock Street
111 Foundry Street	200 McNeal Street
13 Vine Street	15 Vine Street
110 McNeal Street	303 Powell Street

4. AHOME CHOICE project (23 units to be developed)

Occupancy is restricted to 8 very low income households, one low income household and 14 moderate income households. AHOME is currently negotiating with a private lender for the remainder of the funds required to start construction. According to Ms. Donna Turner, the Executive Director of AHOME, the project will be completed the three phases. The first phase includes eight units that are to be acquired to satisfy NJHMFA regulations and are located at the following addresses:

9 North Avenue	11 North Avenue
101 North Avenue	103 North Avenue
606 East Main Street	322 D Street
300 East Broad Street	

(condominium units 1 and 2).

The remaining 15 units will be acquired, renovated and sold in two phases. Detailed information is submitted on the appropriate Fair Share Plan checklist.

Site Suitability Compliance Statement. AHOME, Inc. is in the process of acquiring existing 23 substandard housing units and vacant lots in the City in order to create 23 affordable units. All of the sites meet COAH's site suitability standards, pursuant to N.J.A.C. 5:97-3.13. The sites are available, approvable, developable and suitable as detailed below:

- There are no preconditions that would prevent affordable housing development. To the municipal official's knowledge, the sites have clear title and are free of encumbrances which preclude development of affordable housing. The sites are all compatible to adjacent land uses and have access to appropriate streets.
- All of the sites have street frontage on existing residential access streets.
- Adequate sewer and water is available. All of the sites are located in the City's public water service area and is within the approved sewer

service area. Existing sanitary sewer and water mains provide these services to the sites.

- All of the sites, if applicable, can be developed in accordance with the R.S.I.S. Development of the sites will be consistent with the Residential Site Improvement Standards, N.J.A.C. 5:21-1 et seq., if applicable. As funding for the AHOME project is being provided by the N. J. Housing and Mortgage Finance Agency, all units will be built or rehabilitated in compliance with the City's zoning ordinance and Construction Code.

Development of the sites is consistent with the State Development and Redevelopment Plan ("State Plan") and the rules and regulations of all agencies with jurisdiction over the sites.

- The sites are located in a "Smart Growth Planning Area". The adopted 2001 State Plan and the third Preliminary State Plan both designate the site in the Metropolitan Planning Area, Planning Area 1.
- The AHOME development is not within jurisdiction of a Regional Planning Agency or CAFRA. The site is located outside of the Pinelands, CAFRA, Highlands, or Meadowlands jurisdictions.
- The sites will comply with all applicable environmental regulations, such as new water quality (N.J.A.C. 7:8 et seq.), surface water quality (N.J.A.C. 7:9B) and storm water management rules (N.J.A.C. 7:15 et seq.), if applicable.
- The site will not affect any historic or architecturally important sites and districts. None of the AHOME properties are historic sites or are located near an historic site.

All twenty three of the approved properties will be set aside for affordable units and remain available, suitable, developable and approvable.

5. Holly City Development Corp. (HCDC) CHOICE project (5 units to be developed)

HCDC is developing a 23 unit mixed income project under the NJHMF's CHOICE Program for emerging markets. This program targets middle income and lower income households. The project will include five low-income units. Construction is scheduled to begin in June 2009 with completion by year end. According to Ms. Ivy Evans with the HCDC, the addresses of the low-income units are as follows:

129 Depot Street

311 Powell Street
202 Broad Street
204 Broad Street
306 Broad Street

The remaining 18 units will be sold to “market rate” buyers.

Site Suitability Compliance Statement. Holly City Development Corporation (HCDC) is in the process of acquiring existing 23 substandard housing units and vacant lots in the City in order to create five (5) affordable units. All of the sites meet COAH's site suitability standards, pursuant to N.J.A.C. 5:97-3.13. The sites are available, approvable, developable and suitable as detailed below:

- There are no preconditions that would prevent affordable housing development. To the municipal official's knowledge, the sites have clear title and are free of encumbrances which preclude development of affordable housing. The sites are all compatible to adjacent land uses and have access to appropriate streets.
- All of the sites have street frontage on existing residential access streets.
- Adequate sewer and water is available. All of the sites are located in the City's public water service area and is within the approved sewer service area. Existing sanitary sewer and water mains provide these services to the sites.
- All of the sites, if applicable, can be developed in accordance with the R.S.I.S. Development of the site and will be consistent with the Residential Site Improvement Standards, N.J.A.C. 5:21-1 et seq. As funding for the AHOME project is being provided by the N. J. Housing and Mortgage Finance Agency, all units will be built or rehabilitated in compliance with the City's zoning ordinance and Construction Code.

Development of the sites is consistent with the State Plan and the rules and regulations of all agencies with jurisdiction over the sites.

- The sites are located in a “Smart Growth Planning Area”. The adopted 2001 State Plan and the third Preliminary State Plan both designate the site in the Metropolitan Planning Area, Planning Area 1.
- The HCDC development is not within jurisdiction of a Regional Planning Agency or CAFRA. The site is located outside of the Pinelands, CAFRA, Highlands, or Meadowlands jurisdictions.

- The sites will comply with all applicable environmental regulations, such as new water quality (N.J.A.C. 7:8 et seq.), surface water quality (N.J.A.C. 7:9B) and storm water management rules (N.J.A.C. 7:15 et seq.), if applicable.
- The site will not affect any historic or architecturally important sites and districts. None of the HCDC properties are historic sites or are located near an historic site.

Five of the approved properties will be set aside for affordable units and remain available, suitable, developable and approvable.

6. AHOME, Inc. Rental Project (1 unit completed)

AHOME, Inc. renovated a two-bedroom rental unit above its office at 400 East Main Street. Occupancy is restricted to low income households. Detailed information is submitted on the appropriate Fair Share Plan checklist.

7. Millville Housing Authority Cedarview Apartments (50 completed units)

The MHA owns and operates a development at 2045 Wheaton Avenue (Block 269, Lot 13). Occupancy is restricted to seniors and disabled low-income households. Detailed information is submitted on the appropriate Fair Share Plan checklist.

8. Millville Housing Authority Jaycee Plaza (90 completed units)

The MHA owns and operates a mid-rise senior development at 122 East Main Street (Block 420, Lot 8) that was originally developed by the Jaycees. Occupancy is restricted to seniors and disabled low-income households. Detailed information is submitted on the appropriate Fair Share Plan checklist.

9. Holly City Development Corp. Senior Hi-Rise (73 completed units)

The HCDC owns and operates an affordable housing building at 224 South Second Street (Block 461, Lot 2). Occupancy is restricted to seniors and disabled low-income households. The property was funded, in part, with Low Income Housing Tax Credits. Detailed information is submitted on the appropriate Fair Share Plan checklist.

10. Oak View Apartments, LLC (209 units completed)

Oak View Apartments, LLC is an investor owned company of 1701 East Broad Street (Block 401, Lot 1) consisting of 209 low-income, family rental units. The property was funded, in part, with Low Income Housing Tax Credits. Detailed information is submitted on the appropriate Fair Share Plan checklist.

Supportive and Special Needs Housing

1. Group Homes, Various Locations (26 existing credits)

The City is claiming 26 credits from seven group homes which have completed alternative living arrangement surveys that were previously submitted to COAH. Occupancy is limited to individuals living with disabilities. These group homes are listed below:

Table 27. Special Needs Group Homes

Owner/Operator	Address	Block	Lot	Bedrooms
Caring, Inc.	1306 Fairton Road	48	12.03	3
Elwyn New Jersey, Inc	14 Jason Street	60.03	14	4
Elwyn New Jersey, Inc.	1807 Cedar Street	125	8	3
Elwyn New Jersey, Inc.	1301 Chickadee Road	240	2	5
Elwyn New Jersey, Inc.	513 Crest Avenue	408	7	4
Elwyn New Jersey, Inc.	213 South 14 th Street	485	1.04	3
Elwyn New Jersey, Inc.	302 Valatia Street	541	8	4
Total Credits Sought				26

The City will continue to seek additional credits for the eight other group homes that are listed in the Tax Assessor's records. If these group homes are eligible, a plan amendment will be undertaken in the future. This credit is not sought at this time.

2. Maurice View Plaza (30 existing credits)

The City is also claiming credits for the Millville Housing Authority's Maurice View Plaza development at 1 East Vine Street (Block 366, Lot 1). The project consists of 30 independent rental units with occupancy restricted to low-income disabled households. Detailed information is submitted on the appropriate Fair Share Plan checklist.

Inclusionary Housing

The Planning Board approved four subdivision applications between December 20, 2004 and June 2, 2008, which addressed the City's growth share ordinance requirement in pace at that time. One development (Four Seasons at Millville) was granted the right to make a payment in lieu of construction to the City's affordable housing trust fund and will not otherwise be discussed in this section. That ordinance was adopted to comply with COAH's initial third round regulations at N.J.A.C. 5:94 et seq., which required a set aside of one affordable unit among nine units for occupancy by low and moderate income households. Though such units are eligible for compliance bonus credits, the City is maximizing its credit through the rental bonus mechanism instead.

The City has assessed the number of units that are likely to be built in these subdivisions during the third round. Based on that review the City anticipates that 484 units are likely to be built based on a number of factors. The lower estimate is based on current economic conditions which have caused large scale applications to be withdrawn or reduced in size as well as the adverse impact that current economic conditions have on current and future development such as the rising rate of unemployment and the constraints on construction financing for builders and permanent financing for buyers. In addition, the City believes that the need for a water main extension approval for the Crystal Village application of 1,530 units will cause a significant delay in the build out of that subdivision and estimates that approximately 200 units are likely to be built in the near term. These figures were used in the determination of the higher growth share for Millville of 661 units.

The City anticipates that there is a realistic opportunity for a combined total of 34 affordable units to be built over the next ten years from approved inclusionary development. This estimate will be re-evaluated in accordance with COAH's monitoring requirements in two years following the City's receipt of substantive certification and every two years thereafter.

All of the projects listed below received final approval from the Planning Board and the City submits that there are no environmental or legal impediments to prevent the units from being built with the exception of the pending water issue on the Crystal Village development. Copies of the Planning Board resolutions of approval are attached to the COAH Fair Share Project Checklists.

Table 28. Inclusionary Development, 2005-2007.

Subdivision Name	Block	Lot(s)	Affordable Units	Zone
Carmel Estates	28	11	5	R-15
Tumble Partnership	47	1	2	R-15
Crystal Village	3	54	27*	AC, new PUD

* - Adjusted down from 170 to account for lower projected growth.

The following is a discussion of how these inclusionary developments conform to COAH's site suitability regulations (N.J.A.C. 5:97-3.13).

1. Carmel Estates (Block 28, Lot 11)

The site meets COAH's site suitability standards, pursuant to N.J.A.C. 5:97-3.13. The site is available, approvable, developable and suitable as detailed below:

- There are no preconditions that would prevent affordable housing development. To the municipal official's knowledge, the site has a clear title and is free of encumbrances which preclude development of affordable housing. The site is adjacent to compatible land uses and has access to appropriate streets.
- The site has dual frontage on Rieck and Shewchenko Avenues.
- Adequate sewer and water is available. The site is located in the City's public water service area and is within the approved sewer service area. Existing sanitary sewer and water mains provide these services to the site.
- The site can be developed in accordance with R.S.I.S. Development of the site will be consistent with the Residential Site Improvement Standards, N.J.A.C. 5:21-1 et seq.

Development of the site is consistent with the State Plan and the rules and regulations of all agencies with jurisdiction over the site.

- The site is located in a "Smart Growth Planning Area". The adopted 2001 State Plan and the third Preliminary State Plan both designate the site in the Metropolitan Planning Area, Planning Area 1.

- The development is not within jurisdiction of a Regional Planning Agency or CAFRA. The site is located outside of the Pinelands, CAFRA, Highlands, or Meadowlands jurisdictions.
- The site will comply with all applicable environmental regulations, such as new water quality (N.J.A.C. 7:8 et seq.), surface water quality (N.J.A.C. 7:9B) and storm water management rules (N.J.A.C. 7:15 et seq.).
- The site will not affect any historic or architecturally important sites and districts. There are no historic sites or districts located on the site or in the nearby surrounding area.

Five of the 47 approved lots will be set aside for affordable units. This set aside is lower than the number of affordable units required by N.J.A.C. 5:97-6.14 as the subdivision received final approval prior the effective date of the regulation which required a minimum density of eight units per acre with a 25% set aside.

The site thus remains available, suitable, developable and approvable.

2. Tumble Partnership (Block 47, Lot 1)

The site meets COAH's site suitability standards, pursuant to N.J.A.C. 5:97-3.13. The site is available, approvable, developable and suitable as detailed below:

- There are no preconditions that would prevent affordable housing development. To the municipal official's knowledge, the site has a clear title and is free of encumbrances which preclude development of affordable housing. The site is adjacent to compatible land uses and has access to appropriate streets.
- The site has frontage on West Main Street.
- Adequate sewer and water is available. The site is located in the City's public water service area and is within the approved sewer service area. Existing sanitary sewer and water mains provide these services to the site.
- The site can be developed in accordance with the R.S.I.S. Development of the site will be consistent with the Residential Site Improvement Standards, N.J.A.C. 5:21-1 et seq.

Development of the site is consistent with the State Plan and the rules and regulations of all agencies with jurisdiction over the site.

- The site is located in a “Smart Growth Planning Area”. The adopted 2001 State Plan and the third Preliminary State Plan both designate the site in the Metropolitan Planning Area, Planning Area 1.
- The development is not within jurisdiction of a Regional Planning Agency or CAFRA. The site is located outside of the Pinelands, CAFRA, Highlands, or Meadowlands jurisdictions.
- The site will comply with all applicable environmental regulations, such as new water quality (N.J.A.C. 7:8 et seq.), surface water quality (N.J.A.C. 7:9B) and storm water management rules (N.J.A.C. 7:15 et seq.).
- The site will not affect any historic or architecturally important sites and districts. There are no historic sites or districts located on the site or in the nearby surrounding area.

Two of the 17 approved lots will be set aside for affordable units. This set aside is lower than the number of affordable units required by N.J.A.C. 5:97-6.14 as the subdivision received final approval prior the effective date of the regulation which required a minimum density of eight units per acre with a 25% set aside.

The site thus remains available, suitable, developable and approvable.

3. Crystal Village (Block 3, Lot 54)

The site meets COAH’s site suitability standards, pursuant to N.J.A.C. 5:97-3.13. The site is available, approvable, developable and suitable as detailed below:

- There are no preconditions that would prevent affordable housing development. To the municipal official’s knowledge, the site has a clear title and is free of encumbrances which preclude development of affordable housing. The site is adjacent to compatible land uses and has access to appropriate streets.
- The site has dual frontage on Route 49 and Nabb Avenue.
- Adequate sewer and water is expected to be available. Presently, the site is not served by public water and sewer. The developer and the City are working cooperatively to obtain DEP approvals for a water allocation permit and sewer main extension permit for the site.

- The site can be developed in accordance with R.S.I.S. Development of the site will be consistent with the Residential Site Improvement Standards, N.J.A.C. 5:21-1 et seq.

Development of the site is consistent with the State Plan and the rules and regulations of all agencies with jurisdiction over the site.

- The site is located in a “Rural Area”. The adopted 2001 State Plan and the third Preliminary State Plan both designate the site in Planning Area 4.
- The development is not within jurisdiction of a Regional Planning Agency or CAFRA. The site is located outside of the Pinelands, CAFRA, Highlands, or Meadowlands jurisdictions.
- The site will comply with all applicable environmental regulations, such as new water quality (N.J.A.C. 7:8 et seq.), surface water quality (N.J.A.C. 7:9B) and storm water management rules (N.J.A.C. 7:15 et seq.).
- The site will not affect any historic or architecturally important sites and districts. There are no historic sites or districts located on the site or in the nearby surrounding area.

The site is zoned Agricultural-Conservation (A-C) with an optional Planning Village Development allowed under certain conditions, one being an affordable housing setaside. The option permits an increase in density of approximately ten times the base density of the zone, depending on bonuses. The City anticipates that 27 units in the first phase of 200 approved lots will be set aside for affordable units. This set aside is lower than the number of affordable units required by N.J.A.C. 5:97-6.14 as the subdivision received final approval prior the effective date of the regulation which required a minimum density of eight units per acre with a 25% set aside.

The site thus remains available, suitable, developable and approvable.

Proposed Redevelopment Areas

The City has acquired the Millville Gardens apartment complex through the redevelopment process. The property contains 101 substandard units and is located at 102 Foundry Street which is designated as Block 304, Lot 1 in the Tax Assessor’s records. This site as well as a substantial portion of the center city area is located within a designed redevelopment area. Millville has adopted an area in need of redevelopment resolution for what is called the “Center City Redevelopment Area” on March 10, 2003 (Resolution A-4260,

included with the petition documents). The redevelopment plan for the area was reviewed and recommend to the City Commissioners by the Planning Board on September 8, 2008 (Resolution 03-38). The City Commissioners adopted the redevelopment plan by ordinance on August 11, 2003 (Ordinance 27-2003). The redevelopment program for Millville Gardens is to be developed as a municipally sponsored project with 50 affordable family rental units be built at the site. The City received approval for its Workable Relocation Assistance Program to relocate existing residents on November 19, 2008 by the NJ Department of Community Affairs, Division of Codes and Standards.

Millville has initiated a Request For Proposal (RFP) process to select a redeveloper. RFP's were advertised on November 24, 2008 and responses are due by January 9, 2009. The City anticipates that a redeveloper will be appointed in March 2009. Construction is expected to be completed by late 2010 or early 2011. While the Millville Gardens redevelopment project is also eligible for 17 redevelopment bonus credits at .33 credits per unit (N.J.A.C. 5:97-3.19); however, the housing plan maximizes the number of bonuses through the rental bonus credit, instead. The RFP includes the requirement for the development of 50 affordable units. A copy of the RFP is part of the submission package for substantive certification. A description of the Millville Gardens redevelopment project on a COAH Project checklist is included as an attachment to the substantive certification application.

The following summary provides a description of the site, location, acreage, existing and intended use:

Millville Gardens

Address:	102 Foundry Street
Block/Lot:	304/ 1
Acreage:	6 acres
Zoning:	Residential - 5 (high density); however the redevelopment plan would supersede the zoning designation.
Current use:	Existing 101 unit apartment unit complex
Proposed use:	Existing complex to be demolished and 50 new units to be developed.

The anticipated schedule for the redevelopment is follows:

November 24, 2008:	Issue RFP's to interested developers
January 9, 2009:	Complete review of RFP responses
March 2009:	Appoint redeveloper
Early 2010:	Commence construction
Mid-2011:	Complete construction

IMPLEMENTATION SCHEDULE

The implementation schedule displayed in Table 29 includes all of the affordable housing sites in the plan which are to be built and the year by which anticipated milestones for each project are expected to be completed. The schedule does not include projects that have already been completed by the Millville Housing Authority, Holly City Development Corporation, AHOME, various group home operators, and Oak View Apartments, LLC. In the time period in which this is written, there is significant uncertainty in the housing market and expectations for a severe recession. In the 1989 to 1993 time period, New Jersey also suffered a prolong recession lasting some 44 months. The implementation schedule is based on a recession of a similar duration.

Table 29. Implementation Schedule by Year.

Project	Site Control	Plan Approval	Start Construction	Occupy Project
AHOME CHOICE project	2007	2008	2009	2010
Holly City Development Corp. CHOICE project	2008	2009	2010	2010-2011
Inclusionary Developments	2007	2008	2011-2014	2011-2018
Millville Gardens Redevelopment	2008	2008	2009	2010-2011

COST GENERATION

City staff will review future development applications containing affordable housing for consistency with the Residential Site Improvement Standards (N.J.A.C. 5:21-1 et seq.) and the mandate of the Fair Housing Act regarding unnecessary cost generating features. The City shall comply with COAH's requirements for unnecessary cost generating requirements, N.J.A.C. 5:97-10.2, procedures for development applications containing affordable housing, N.J.A.C. 5:97-10.3, and requirements for special studies and escrow accounts where an application contains affordable housing, N.J.A.C. 5:97-10.4. Millville always seeks to site new affordable housing, especially 100% affordable projects, in locations where there is existing public services or are expected to be extended as part of other development for this represents sound community planning.

FAIR SHARE ORDINANCES AND AFFIRMATIVE MARKETING

The City of Millville has prepared an Affirmative Marketing and Fair Share Ordinance in accordance with COAH's substantive rules, N.J.A.C. 5:97-9, and the Uniform Housing Affordability Controls (hereinafter "UHAC") at N.J.A.C. 5:80-26 as Article XXV of the City of Millville Land Use and Development Regulations ordinance. A copy of the draft ordinance is included as part of

the submission to COAH for substantive certification. The City's Fair Share Ordinance will govern the establishment of affordable units in the City as well as regulating the occupancy of such units. The Fair Share Ordinance covers the phasing of affordable units, the low/moderate income split, bedroom distribution, occupancy standards, affordability controls, establishing rents and prices, affirmative marketing, income qualification, etc.

The City will conduct the affirmative marketing and monitoring of affordable units for existing and future units. This office has operated housing programs since 1982, with extensive experience in housing rehabilitation, neighborhood redevelopment and housing regulations. The City has also entered into a professional services contract with Triad Associates to be the administrative agent for affordable projects which have been or will be built during the plan period. The City has filed the necessary authorization with COAH to have Triad approved as the administrative agent. A complete administrative manual has been prepared which identifies all policies and procedure, including affirmative marketing and resale provisions.

The affirmative marketing plan is designed to attract buyers and/or renters of all majority and minority groups, regardless of race, creed, color, national origin, ancestry, marital or familial status, gender, affectional or sexual orientation, disability, age or number of children to the affordable units located in the City. Additionally, the affirmative marketing plan is intended to target those potentially eligible persons who are least likely to apply for affordable units and who reside in Housing Region #6, consisting of Salem, Atlantic, Cape May and Cumberland counties.

The affirmative marketing plan includes regulations for qualification of income eligibility, price and rent restrictions, bedroom distribution, affordability control periods, and unit marketing in accordance to N.J.A.C. 5:80-26. All newly created affordable units will comply with the thirty-year affordability control required by UHAC, N.J.A.C. 5:80-26.5 and 5:80-26.11, or as other exempted in 5:80-26.1. This plan must be adhered to by all private, non-profit or municipal developers of affordable housing units and must cover the period of deed restriction or affordability controls on each affordable unit. The costs of implementing the affirmative marketing plan (i.e., the costs of advertising the affordable units, etc.) are the responsibilities of the developers of the affordable units. This requirement is included in the City's fair share ordinance and shall be a condition of any municipal development approval.

MONITORING

In accordance with N.J.A.C. 5:96-11, the City will complete annual monitoring reports for the Affordable Housing Trust Fund and report on the status of existing and new affordable housing units through COAH's CTM system. Furthermore, the City's Municipal Housing Liaison will assist COAH with the biennial plan evaluation, pursuant to N.J.A.C. 5:96-10, where the actual growth of housing units and jobs is compared to the construction of affordable housing. If upon any biennial review the difference between the number of affordable units constructed or provided in a municipality and the number of units required pursuant to N.J.A.C. 5:97-2.4 results in a pro-rated production shortage of 10 percent or greater, the municipality is not adhering to its implementation schedule pursuant to N.J.A.C. 5:97- 3.2(a)4, or the mechanisms addressing the projected growth share obligation no longer present a realistic opportunity for the creation of affordable housing, the City may be required by COAH to amend its plan in conformance with N.J.A.C. 5:96-14 to address the affordable housing obligation set forth in N.J.A.C. 5:97-2.5.

SPENDING PLAN SUMMARY

The City's spending plan, which discusses anticipated revenues, collection of revenues, and the use of revenues, was prepared in accordance with N.J.A.C. 5:97-8.10. All collected revenues will be placed in the City's Affordable Housing Trust fund and divided into journal entries consistent with the tracking of revenues and expenditures by COAH. Any disbursements will be solely for the use of affordable housing activities, as permitted. Millville may use the funds in the trust fund for any of the below listed items, pursuant to N.J.A.C. 5:97-8.7(a):

- Rehabilitation program;
- New construction of affordable housing units and related development costs; in the case of inclusionary developments, eligible costs shall be pro-rated based on the proportion of affordable housing units included in the development;
- Extensions or improvements of roads and infrastructure directly serving affordable housing development sites; in the case of inclusionary developments, costs shall be pro-rated based on the proportion of affordable housing units included in the development;
- Acquisition and/or improvement of land to be used for affordable housing;
- Purchase of existing market rate or affordable housing for the purpose of maintaining or implementing affordability controls, such as in the event of foreclosure;

- Green building strategies designed to be cost-saving for low- and moderate income households, either for new construction that is not funded by other sources, or as part of necessary maintenance or repair of existing units;
- Maintenance and repair of affordable housing units;
- Repayment of municipal bonds issued to finance low- and moderate-income housing activity; and
- Any other activity as specified in the approved spending plan.

Millville is required to fund the programs once the Housing Element and Fair Share Plan is certified, as well as provide affordability assistance. Revenue sources to fund these programs include:

Development Fees

The fees collected from the COAH authorized development fees on new residential and nonresidential development may be used to address fair share obligation, including new construction. The City has passed a development fee ordinance in 2005 and has proposed an amendment in 2008 for COAH approval to raise the residential and non-residential development fee payments to 1.5 % and 2.5%, respectively.

Payments-in-lieu of Construction

Developers who elect to make a per unit payment rather than construct affordable dwelling units on site will submit their payment to the Housing Trust Fund. These resources will be available for new construction projects.

Revenue Allocation District

Funds collected by Millville as part of the Revenue Allocation District may be used toward municipally-sponsored new construction and partnerships with the non-profit sector. In 2007 the City became the first municipality in the state to be designated as a Revenue Allocation District. The State of New Jersey recently enacted legislation that permits municipalities to utilize this form of tax increment financing. In this form of financing, Millville freezes the tax base of the designated area and then tracks all new development and the subsequent additions to the City's tax base. The tax revenue enhancements are then utilized for revitalization projects within the district. Millville will utilize 50% of all of the additional tax revenue for redevelopment projects including the rehabilitation of substandard housing. The new 500,000 square foot shopping center proposed for the Route 47/55 corridor is the lead project for the Revenue Allocation District. This project will generate revenues to support an \$8.13 million dollar bond for

neighborhood improvements, which include approximately 140 housing rehabilitation projects.

The City has allocated approximately \$2.8 million for rehabilitation and in excess of \$1.5 million for property acquisition.

Federal and State Grants

The City receives two Federal grants annually which provide a source of funding for affordable housing. These programs are described below:

- **Community Development Block Grant Program.** Approximately \$175,000 per year will be utilized by the City in order to meet its rehabilitation component. It is estimated that approximately 10-12 homes can be rehabilitated to code standards annually, with an average rehabilitation cost of \$12,000-\$15,000. The cost of removing lead-based paint hazards has significantly increased the average cost. This assistance is available citywide to income-eligible households (less than 80% of median income). The City has operated its rehabilitation program since 1982 and anticipates this program will be the primary means of meeting its future rehabilitation need.
- **HOME Program.** HUD also provides approximately \$178,000 annually for homeownership opportunities. The City provides 55% of these funds to a certified housing organization, AHOME, Inc. in order to construct and rehabilitate homes in the Center City neighborhood. In addition to providing AHOME some of its resources, the City utilizes the remaining funds to supplement its housing rehab program. These funds are particularly useful in deferring the costs of larger-scale projects that involve the removal of lead-based paint hazards. A small portion of the HOME monies are used for program administration. The City also designates approximately \$15,000 a year in HOME funds to Habitat for Humanity for the construction of new affordable housing, or for the purchase of land for new construction.

The Spending Plan is included in the appendices.

CONSISTENCY WITH THE MASTER PLAN AND OTHER PLANNING DOCUMENTS

The goals of the Millville City Housing Element are based on the housing goals and objectives adopted as part of the City's 2005 Master Plan; 2005-2010 Consolidated Plan (for CDBG funds); 2003 Master Plan Re-Examination; 2003 Center City and Airport Redevelopment Plan; the Revenue Allocation Plan 2007 and Neighborhood Renaissance Initiative 2007 and this document.

These goals are as follows:

1. Conserve and renew older neighborhoods and improve local citizen's living environment;
2. Promote increased private investment in community development activities;
3. Conserve and expand the local affordable housing stock; and
4. Restore and preserve properties of special value for historic, architectural or aesthetic reasons.
5. Encourage public private partnerships to produce affordable housing.
6. Revitalize core sections of the city through redevelopment tools and financing.

This Housing Element supports the above goals and objectives by providing for its fair share of low and moderate income housing within the municipal boundaries. Additionally, the affordable and market units projected in the Housing Element consist of a wide variety of housing types, including but not limited to single-family detached housing units, single family semi-detached, townhouses and apartments that will be available to a range of household incomes.

Cumberland County Master Plan

The May 9, 2005 revision to the City's Master Plan addressed the issue of coordinating the planning policies of the City and those of Cumberland County. The Master Plan did not specifically address the County's policy on affordable housing. According to the City's Master Plan "The County planning policy with regard to land uses supports more intensive development in proximity to existing centers, with Millville specifically mentioned. The intent of the County policy is a main goal of improving the quality of life for residents, business owners and visitors to the region., very similar to a major goal of this Master Plan."

State Development and Redevelopment Plan

In the 2005 Cumberland County Cross Acceptance Report it was noted that the City's 2005 Master Plan "has nine goals, all of which are entirely consistent with the State Plan's key concepts and policy objectives."

The area of contention that impacts on further growth, including affordable housing, is the State's designation of large areas of the City's sewer service areas as PA 4 or PA5. The City's Self Assessment Report of March 2008 questions "how development can or should occur within a sewer service area

that has been sanctioned by the State and overlain with Planning Areas that are intended to conserve or preserve open spaces and natural feature.”

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